

MEDIA RELEASE

**Attention: News Director
For Immediate Release
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**U.S. DEPARTMENT OF JUSTICE
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Western District of Kentucky**

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SUPERSEDING INDICTMENT CHARGES ANTHONY J. CONTI'S WIFE, VICE-PRESIDENT OF CONTI MEDICAL CONCEPTS, FOR KICKBACKS TO A DOCTOR

David L. Huber, United States Attorney for the Western District of Kentucky, and Melody Jackson, Special Agent in Charge, Office of the Inspector General (OIG), Department of Health and Human Services, Tracy A. Reinhold, Special Agent in Charge, Federal Bureau of Investigation, Louisville, Kentucky (FBI), and Gregory D. Stumbo, Office of the Kentucky Attorney General, jointly announced today the following:

A federal Grand Jury in Louisville **returned a Superseding Indictment** charging **ANTHONY J. CONTI**, age 48, of Innisbrook Court, Prospect, Kentucky and **CONTI MEDICAL CONCEPTS** of 3006 Eastpoint Parkway, Louisville, Kentucky, with the unlawful alteration of medical records. The Superseding Indictment further charged **Conti, Conti Medical**, and **VICTORIA CONTI**, age 46, also of Innisbrook Court, Prospect, Kentucky, with payment of kickbacks to a local physician to refer Medicare and Medicaid patients to **Conti Medical**.

The superseding indictment makes no changes to the original indictment as it relates to the charges for altering medical records. As stated in the original indictment, **Anthony J. Conti**, is the owner and operator of **Conti Medical Concepts**, 3006 Eastpoint Parkway in Louisville, Kentucky. **Conti Medical** is a durable medical equipment provider that supplies customers with, among other

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items, prescription back braces and knee braces. Specifically, **Conti Medical** offers two back braces manufactured by a company in New Jersey (hereinafter "Manufacturer A"), which manufactures at least two different back braces. The first back brace, known as the "V-Loc" or "System-Loc", is a three piece brace with a rigid posterior panel and a flexible anterior panel and an interchangeable rigid anterior panel. The brace provided anterior and posterior control. The second back brace, known as the "Pro-Fitt", is a two piece brace that has a rigid posterior and anterior panel that wrapped around the patient's body (often referred to as a "body jacket"), thereby offering anterior, posterior, and lateral control.

According to the superseding indictment, beginning in August 1997 and continuing until April 2003, **Conti Medical** provided nearly all of its customers with V-Loc/System-Loc back braces, but billed Medicare and Medicaid for the more expensive Pro-Fitt back brace.

Beginning in the fall of 2002, Medicare initiated a review of braces billed by durable medical equipment suppliers using certain billing codes, including the code used by **Conti Medical** to bill its back braces. Shortly thereafter, Medicare began to deny some claims submitted by **Conti Medical**. As a result of the denials, **Conti Medical** stopped providing its Medicare customers with V-Loc/System-Loc braces and began supplying a brace that fit the definition of a "Pro-Fitt" and had a higher profit margin than the V-Loc/System-Loc brace. From that point forward, **Conti Medical** billed Medicare and Medicaid for the more expensive "Pro-Fitt" brace despite that the doctors had ordered the V-Loc/System-Loc brace.

The superseding indictment further charges that employees of **Conti Medical** initiated wholesale alterations of medical records. Specifically, at **Conti's** direction, the employees removed

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all references in the medical records to the less expensive brace, "V-loc" or "System-loc" and replaced it with references to the "Pro-Fitt" or generically as a "Conti" back brace. **Conti Medical** also cut physician signatures from one document and pasted them on to others and changed patient diagnoses.

The superseding indictment further charges that, after Medicare denied a number of **Conti Medical's** claims, **Conti Medical** resubmitted to Medicare its denied claims using different billing codes that included a miscellaneous code. In many instances, Medicare refused to pay for the miscellaneous code because it was not supported by the documentation submitted by **Conti Medical**. **Conti Medical** appealed these denied claims and submitted false documentation in support of its appeals. Specifically, **Conti Medical** submitted invoices from Manufacturer A that had been altered to make the cost of the brace appear to be nearly three times more than it actually was.

Finally, according to the superseding indictment, **Conti**, aided and abetted by **Victoria Conti**, the vice-president of **Conti Medical**, paid a kickback to a local physician in exchange for patient referrals. The indictment charges that **Conti** provided a local physician a \$4,300 television to induce that physician to refer Medicare and Medicaid patients to **Conti Medical**.

If convicted, **Conti** faces maximum potential penalties of 5 years imprisonment, a \$250,000.00 fine, and supervised release for a period of 3 years. If convicted, **Victoria Conti** faces maximum potential penalties of 5 years imprisonment, a \$25,000.00 fine, and supervised release for a period of 3 years.

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The case is being prosecuted by Assistant United States Attorney Eric I. Long, and it was investigated by the Department of Health and Human Services, Office of Inspector General, the Federal Bureau of Investigation, and the Kentucky Attorney General's Medicaid Fraud and Abuse Control Unit.

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The indictment of a person by a Grand Jury is an accusation only and that person is presumed innocent until and unless proven guilty.

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